## **Table of Contents**

Acknowled	gments	xxi
Chapter 1:	INTRODUCTION TO THE PRACTICE OF CONSUMER LAW	1
PART 1	FRAUD AND DECEPTIVE	
	PRACTICES	9
Chapter 2:	FRAUD	11
	Fischer v. Division West	
	Chinchilla Ranch	11
	Quotes for the Attorney's Arsenal:	
	"Opinions as Facts"	22
	Makaeff v. Trump University, LLC	24
	Von Hoffmann v. Prudential Insurance	
	Co. of America	33
	Quotes for the Attorney's Arsenal:	
	"Unreasonable Reliance"	44
	Carroll v. Fremont Investment & Loan	46
	Joyner v. Albert Merrill School	51
Chapter 3:	DECEPTIVE PRACTICES	61
I.	ODOMETERS	61
	Federal Odometer Act	62
	Federal Odometer Regulations	72
	Delay v. Hearn Ford	79
	Nieto v. Pence	83
II.	UNFAIR OR DECEPTIVE SALES PRACTICES	87
	A. Unordered Merchandise	87
	Postal Reorganization Act of 1970	87
	B The Federal Trade Commission	89

xii Contents

In re Arthur Murray Studio of	
Washington, Inc.	90
F.T.C. Regulation of Funeral Industry	
Practices	98
C. State Statutes	112
Carlill v. Carbolic Smoke Ball Company	113
Quotes for the Attorney's Arsenal: "Puffing"	121
Pelman ex rel. Pelman v. McDonald's Corp.	122
District of Columbia v. Facebook, Inc.	127
D. Illegality: The Ultimate Penalty	132
Bennett v. Hayes	132
E. Referral Schemes	135
Quotes for the Attorney's Arsenal:	
"Referral Plans"	135
Webster v. Omnitrition International, Inc.	135
F. Telemarketing	146
Reichenbach v. Chung Holdings, LLC	149
Quotes for the Attorney's Arsenal:	
"Telephone Solicitations"	155
G. Home Solicitations	155
Quotes for the Attorney's Arsenal:	
"Cooling-Off Periods"	157
III. INTERSTATE LAND SALES	157
Interstate Land Sales Full Disclosure Act	159
<b>HUD Regulations of Interstate Land Sales</b>	173
Cruz v. Leviev Fulton Club, LLC	190
IV. RICO	197
Sedima, S.P.R.L. v. Imrex Co.	198
Kenty v. Bank One, Columbus, N.A.	210
DADT 1 DDODLIGT OHALLTY AND	
PART 2 PRODUCT QUALITY AND	
THE CONSUMER	217

Contents	
Chapter 4: PRODUCT QUALITY GENERALLY	219
I. STRICT PRODUCT LIABILITY	219
Restatement (Second) of Torts §402A	220
Leichtamer v. American Motors Corp.	221
II. STATE WARRANTY LAW	236
A. Types of Warranties	236
Quotes for the Attorney's Arsenal:	
"Puffing"	237
B. Remedies for Breach of Warranty	240
Quotes for the Attorney's Arsenal:	
"Shaken Faith"	243
Quotes for the Attorney's Arsenal:	
"Endless Repairs"	243
Quotes for the Attorney's Arsenal:	
"The Car Dealer's Obligation"	243
C. Used Cars and Warranties	244
D. Warranties in Service Contracts	244
III. WARRANTIES AND THE SALE OF HOMES	245
Humber v. Morton	245
Quotes for the Attorney's Arsenal:	
"Disclaiming Realty Warranties"	256
Chapter 5: FEDERAL QUALITY CONTROL STATUTES	257
I. THE MAGNUSON-MOSS WARRANTY ACT	257
Ventura v. Ford Motor Corp.	260
II. CONSUMER PRODUCT SAFETY ACT	274
The Consumer Product Safety Act	276
The Consumer Froduct Salety Fiel	270
PART 3 CREDIT	297
TARTS CREDIT	291
Chapter 6: PAYMENT AND CONSUMERS	299
I. PROMISSORY NOTES	301
Quotes for the Attorney's Arsenal:	
"The Standards Applicable to Consumers"	301
II. CREDIT CARDS	304
A. Common Law	304
Stieger v. Chevy Chase Sav. Bank, F.S.B.	304
Discover Bank v. Owens	312
B. Regulation Z	317

**xiv** Contents

Gardner v. Montgomery County Teachers	
Federal Credit Union	320
Hyland v. First USA Bank	328
III. BILLING DISPUTES	334
A. The Common Law	334
B. The Fair Credit Billing Act	337
Gray v. American Express Co.	337
Krieger v. Bank of America, N.A.	350
Bell v. May Dept. Stores Co.	366
IV. ELECTRONIC FUND TRANSFERS	375
A. Documentation	376
B. Issuing the Card	376
C. Preauthorized EFT Cards or Bank Accounts	377
D. Error Resolution	379
E. Unauthorized Transfers	381
Ognibene v. Citibank, N.A.	384
F. The Bank's Civil Liability	388
1. Complaints	388
2. Failure to Make or Stop Payment	388
3. General Liability	389
G. Checks and Electronic Banking	389
V. GIFT CARDS	391
VI. REMITTANCE TRANSFERS	392
Chapter 7: QUALIFYING FOR CREDIT	395
I. THE FAIR CREDIT REPORTING ACT	395
Quotes for the Attorney's Arsenal:	
"Destruction of Reputation by Computer"	396
A. The Common Law	396
B. Scope of the Fair Credit Reporting Act	397
Millstone v. O'Hanlon Reports	399
Marchiso v. Carrington Mortgage	
Services, LLC	409
Bakker v. McKinnon	423
Trans Union Corp. v. Federal Trade	
Commission	431
C. Identity Theft	438
D. Fair Credit Reporting Act Procedures	440
Gorman v. Wolpoff & Abramson, LLP	445

Contents xv

Spokeo, Inc. v. F. Credit Repair Org	
F. Credit Repair Org	anizations 469
Parker v. 1-800	) Bar None, a Financial
Corp., Inc.	470
II. THE EQUAL CREDIT O	PPORTUNITY ACT 478
Markham v. Co	olonial Mortgage Service
Co. Associat	tes 479
A. Scope	486
B. Applications	486
Hawkins v. Con	nmunity Bank of Raymore 488
C. Evaluation	494
1. Evaluation S	Systems 494
	e Board Press Release 495
2. Effects Test	499
Cherry v. Amoc	co Oil Co. 500
3. Age	506
4. Credit Histo	ory 507
D. Extension of Cred	lit 508
E. Special-Purpose C	Credit Programs 508
F. Notifications	508
Pierce v. Citiba	ank (South Dakota) 509
G. Credit Reports	513
H. Monitoring	514
I. Attorney's Fees	514
Chapter 8: TRUTH IN LENDING:	DISCLOSURE 517
I. USURY	517
A. A History Lesson	517
B. The Calculations	518
Antonelli v. Nei	umann 520
C. The Confusion	523
In re Venture M	Nortgage Fund, L.P. 526
Quotes for the A	Attorney's Arsenal:
"Sniffing Ou	at Usury" 529
Quotes for the A	Attorney's Arsenal:
"Dickens on	Usury" 529
D. Time-Price Differ	ential 531
II. TRUTH IN LENDING: T	THE FEDERAL RESPONSE 532
A. Introduction	532
B. Scope	534

xvi Contents

Quotes for the Attorney's Arsenal:	
"Expertise of the Board"	535
Adiel v. Chase Federal Savings & Loan Assn.	537
III. DISCLOSURE: FINANCE CHARGE AND ANNUAL	
PERCENTAGE RATE	542
A. Introduction	542
B. Elements of the Finance Charge	543
First Acadiana Bank v. Federal Deposit	
Insurance Corp.	544
Gibson v. Bob Watson Chevrolet-Geo, Inc.	549
Bright v. Ball Memorial Hospital Assn.	556
C. The Annual Percentage Rate	567
IV. DISCLOSURE: OPEN-END TRANSACTIONS	568
Lea v. Buy Direct, L.L.C.	569
Consumer Credit Policy Statement No. 4	574
Mars v. Spartanburg Chrysler Plymouth	577
V. DISCLOSURE: CLOSED-END TRANSACTIONS	581
Smith v. The Cash Store Management, Inc.	582
Quotes for the Attorney's Arsenal:	
"Shakespeare on Payday Lending"	589
State Ex Rel. King v. B&B Investment	
Group, Inc.	591
Clay v. Oxendine	606
Gonzalez v. Schmerler Ford	613
Lawson v. Reeves	619
VI. CREDIT ADVERTISING	624
VII. CREDIT INSURANCE	626
North Shore Auto Financing, Inc. v. Block	627
Stone v. Davis	633
Chapter 9: TRUTH IN LENDING: REMEDIES	639
I. DAMAGES	639
A. Administrative Enforcement	639
B. Civil Actions	640
Quotes for the Attorney's Arsenal:	
"Section 130 Explained"	640
Hamilton v. Ohio Savings Bank	642
Quotes for the Attorney's Arsenal:	
"Section 130 Explained Further"	645
Quotes for the Attorney's Arsenal:	
"Legal Technicalities"	645

Contents	xvi

Mirabal v. General Motors Acceptance Corp.	646
Quotes for the Attorney's Arsenal:	
"Class Actions and TIL"	651
C. Creditor Defenses	651
1. Reliance on Board	651
2. Bona Fide Error	651
Mirabal v. General Motors Acceptance Corp.	652
Quotes for the Attorney's Arsenal:	
"The Unfocused Attorney"	657
3. Arbitration	659
AT&T Mobility v. Concepcion	659
Nicosia v. Amazon.Com, Inc.	678
II. THE ULTIMATE PENALTY	694
Peoples Trust & Savings Bank v.	
Humphrey	695
Chapter 10: MORTGAGES	703
I. INTRODUCTION	703
Gulfco of Louisiana, Inc. v. Brantley	704
II. TRUTH IN LENDING AND MORTGAGES	711
A. Advertising	712
B. Home Equity Lending	712
C. Obligations of the Parties in a Mortgage	
Transaction	715
1. Mortgage Originators/Brokers	715
2. Mortgage Lenders	716
3. Appraisers	717
4. Mortgage Servicers	717
D. High-Price and Higher-Priced Mortgages	719
E. Reverse Mortgages	722
F. Canceling Mortgage Insurance	725
III. FORECLOSURE ON HOMES	725
A. Frauds and Scams	726
B. The Missing Promissory Note	727
C. Problems with the Assignment	728
1. Mortgage Electronic Registration	
Systems (MERS)	728
2. Robo-Signing and Messy	
Assignments Trails	730
D. Modification of Mortgages and Workouts	731
<ol> <li>Finding the Mortgage Owner</li> </ol>	731

xviii Contents

2. Home Affordable Modification Program	733
3. Common Law	733
IV. RESCISSION RIGHTS	733
A. Scope of the Regulation	734
B. The Cancellation Period	735
C. Common Mistakes in Documentation	735
1. Consummation	735
Jenkins v. Landmark Mortgage Corp.	
of Virginia	736
2. The Rescission Notice	744
3. Material Disclosures	745
4. Waiver	745
Rodash v. AIB Mortgage Co.	746
E. Rescission Tactics	754
Gerasta v. Hibernia National Bank	754
Chapter 11: CONSUMER LEASING	761
I. ARTICLE 2A OF THE UNIFORM	
COMMERCIAL CODE	761
II. RENT-TO-OWN STATUTES	762
III. CONSUMER LEASING ACT	764
Curry Corp. v. Mooro	767
IV. THE UNIFORM CONSUMER LEASES ACT	769
Chapter 12: RETAIL INSTALLMENT SALES AND LOANS	771
I. INSTALLMENT SALES	771
A. Rebates and the Rule of 78	771
Quotes for the Attorney's Arsenal:	
"The Rule of 78"	772
B. Security Interests and Payment Terms	774
II. LOANS TO THE CONSUMER	777
Besta v. Beneficial Loan Co.	778
Chapter 13: <b>DEBT COLLECTION</b>	785
I. THE COMMON LAW	785
Norris v. Moskin Stores, Inc.	786
II. FAIR DEBT COLLECTION PRACTICES ACT	794
A. Scope	794
Vincent v. The Money Store	795
1. The Meaning of "Debt Collector"	807

**Contents** xix

Quotes for the Attorney's Arsenal:	
"Threats by an Attorney"	811
2. The Meaning of "Debt"	811
Miller v. McCalla, Raymer, Padrick,	
Cobb, Nichols & Clark, L.L.C.	812
B. Locating the Debtor	816
C. Communications with the Debtor	816
Rutyna v. Collection Accounts Terminal	816
Tatis v. Allied Interstate, LLC	820
Ellis v. Solomon and Solomon, P.C.	828
D. Civil Actions	838
Jackson v. Bank of America, N.A.	838
III. GARNISHMENT	848
A. The Garnishment Exemption	848
B. Priorities	849
Marshall v. District Court for the 41b	
Judicial District of Michigan	850
C. Discharge from Employment	858
IV. REPOSSESSION AND RESALE	858
Klingbiel v. Commercial Credit Corp.	858
Griffith v. Valley of the Sun Recovery and	
Adjustment Bureau	862
Chapter 14: CONSUMERS IN CYBERSPACE	871
I. ELECTRONIC DISCLOSURES	872
II. CONTRACTING IN CYBERSPACE	874
Hill v. Gateway 2000, Inc.	874
Specht v. Netscape Communications Corp.	879
Nguyen v. Barnes & Noble Inc.	889
Tompkins v. 23andME, Inc.	897
III. THE UNIFORM COMPUTER INFORMATION	
TRANSACTIONS ACT	914
IV. EMAIL, SPAM, ONLINE TRACKING	
AND CYBERSECURITY	916
A. Email Spam	916
Facebook, Inc. v. Power Ventures, Inc.	917
B. Online Behavioral Advertising and Tracking	927
C. Cybersecurity	928
FTC v. Wyndham Worldwide Corp.	928

XX	Contents
Table of Cases	945
Table of Statutes and Regulations	951
Index	959